

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

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Employer Identification Number:

Contact person - ID number:

Date: January 20, 2017

Contact telephone number:

LEGEND

UIL: 4945.04-04

T= Name
U= Geographical Region
V= Number
W= Number
X= Number
Y= Number

b dollars = Amount
c dollars= Amount

Dear :

You asked for advance approval of your educational grant procedures under Internal Revenue Code section 4945(g)(3). This approval is required because you are a private foundation that is exempt from federal income tax.

Our determination

We approved your procedures for awarding educational grants. Based on the information you submitted, and assuming you will conduct your program as proposed, we determined that your procedures for awarding educational grants meet the requirements of Code section 4945(g)(3). As a result, expenditures you make under these procedures won't be taxable.

Description of your request

Your letter indicates that you will operate an educational grant program called T. Your purpose is to advance health, equity, and the quality of care in U by providing various forms of support to improve medical education and the health of the populations in U.

The purpose of T is to advance health equity in U by identifying, connecting, and preparing a generation of leaders dedicated to advancing health equity through systemic change.

You have identified strategies to increase health equity that will require the leadership talent and capabilities that T is designed to produce. Specifically, under T, you will award one year fellowships to provide multidisciplinary leadership training and support to create a community of health equity leaders and advocates within and across the countries and regions of U. Your goal is to produce V leaders over the next several years that will advance, working together and individually, health equity both within and across the countries and regions of U.

You will publicize information about T in various ways including on your website and in occasional press releases as well as through national nomination committees, social media, and communications channels. You also expect that the community created by T will be a source of publicity among those working to support health equity.

While you expect the details of T will change as you gain experience, you anticipate the cost of providing the fellowship, including the cost of faculty, transportation, other staff, training materials, and other expenses, will be approximately b dollars per fellow. Furthermore, you will award fellowship grants for a one-year period, and you may permit grant renewals. You may also award grant support in succeeding years for post-fellowship projects if you deem the situation to be appropriate.

The fellowship year will consist of the following:

- A curriculum taught by core faculty and mentors to promote leadership development on health equity,
- Shared travel experiences for peer and experiential learning,
- Support of pilot projects conducted by the fellows to address major health equity challenges in U, and
- On line engagement, curriculum sharing, and information dissemination among the fellows and mentors regarding the health equity challenges being addressed.

Eligible individuals must be talented young professionals generally under W years of age who have shown achievements and commitment for health equity and have direct experience working to advance health equity in their communities as well as be passionate about social justice in health. They will be residents of U with proficiency in English. Their participation must receive concurrence from their current employer or home institution, where they will remain affiliated throughout the fellowship. Most fellows will have professional capabilities in a health or related field as well as advanced degrees or skills in health policy, medicine, economics, and health action in the field or clinical settings.

Eligible individuals may apply directly to you. In addition, they may be nominated by a committee of nominators who are experts in their fields. You will require the applicants to describe their current work and interests regarding social justice in health, and to provide a resume and at least two reference letters.

Selection committees for T will consist of national nominating committees and regional selection committees from U. The members of these committees will be chosen by the Co-Directors of T following consultation with experts in relevant fields. These committees will be composed of professionals who are considered experts and leaders in their fields and from such areas as public health, academia, the public sector, business and economics, and the media. Selection committee members will ideally consist of individuals who are working on issues of social justice or health. Eventually, the committees may include alumni from T.

You anticipate that the number of individuals on national committees will not exceed X while the regional selection committees will have in the range of Y members.

Relatives of your officers, trustees and substantial contributors, and any other disqualified persons, are not eligible for grant opportunities offered pursuant to T. Additionally, relatives of nominators and selection committee members will also be ineligible for grant opportunities. Participants in T may not include anyone whose selection would result in a private benefit to any of the aforementioned individuals.

The selection committee will generally award the fellowships on the basis of (1) demonstrated leadership and commitment to health equity; (2) professional capabilities in health and related fields; (3) English proficiency; (4) capacity to participate fully in the fellowship activities with the support of a current employer/home institution; and (5) attributes prioritized by the selection committee to achieve a mix and balance of fellows for optimal peer learning. Your selection committees will make the final selection, in accordance with their delegation from your board.

Following the fellowship year, the fellows may engage in post-fellowship projects developed during the initial fellowship year. Post-fellowship activities will vary according to fellows' backgrounds, and in relation to specific project proposals. These projects could involve undertaking academic study, addressing a practical field or policy issue, or initiating other activities such as a technology-based innovation. Funding for these projects would be granted through a selective process based on presentations of these projects at the annual conference taking place at the end of the fellowship year. It is currently expected that the post-fellowship projects chosen for funding will be funded at an average of c dollars per project, though this number may change over time.

Your selection committees will report to you regarding the progress of the fellowships and recipients. Your selection committee will have final approval of the grants which has been delegated approval authority from your board of trustees. The committee will also report to your board of trustees.

In addition, the national and regional committees from participating countries will play key roles in T beyond providing nominations or selecting fellows. These committees will perform other functions including outreach to promising candidates, formal nominations, vetting of self-applied candidates, and some members will participate in the final selection of fellows. Most importantly, the national and regional committee members will join in

mentoring the fellows, and participate as faculty, policy-makers, and researchers in advancing health equity.

Currently, fellows will generally not receive funds directly. Any funds given directly to individual fellows for the fellowship year will be a stipend for any travel needed for participation in the T. In the future, you may expand T to include more direct financial support of leadership development for individual fellows.

You along with the national and regional selection committees, plus your management and certain programmatic employees will supervise T. You will promptly investigate any apparent misuse of grant funds or failure to provide required reports. While a matter is being investigated, you will withhold further payments to the individual until you have determined that no part of a grant has been misused and until missing reports have been submitted. If you discover that funds have been misused, you will take all reasonable and appropriate steps to secure the repayment of the diverted funds. In addition, if such a diversion occurs while you are making installment payments on a grant, you will withhold any further payments until you have received assurances from the grant recipient that future diversions will not occur. You will also require the grant recipient to take extraordinary precautions to prevent future diversions from occurring.

To ensure that the foreign expenditure of grants is not diverted to support terrorism or other non-charitable activities, you will adopt internal controls and procedures to ensure foreign expenditures and grants are not diverted to support terrorism or other non-charitable activities. Such policies may include pre-grant review, periodic reporting and investigation by independent local experts if necessary. You will also comply with all United States statutes, executive orders, and regulations that restrict or prohibit U.S. persons from engaging in transactions and dealings with designated countries, entities or individuals or otherwise engaging in activities in violation of economic standards by OFAC. You will also acquire the OFAC appropriate license and registration where necessary. In addition, you will check the U.S. Department of the Treasury's Office of Foreign Assets ("OFAC") List of Specially Designated Nationals and Blocked Persons for names of individuals and entities with who you are dealing to determine if they are on the list.

You represent that you will maintain the following: (1) all records relating to individual grants including information obtained to evaluate grantees, (2) identify whether a grantee is a disqualified person, (3) establish the amount and purpose of each grant, and (4) establish that you undertook the supervision and investigation of grants described above.

Basis for our determination

The law imposes certain excise taxes on the taxable expenditures of private foundations (Code section 4945). A taxable expenditure is any amount a private foundation pays as a grant to an individual for travel, study, or other similar purposes. However, a grant that meets all of the following requirements of Code section 4945(g) is not a taxable expenditure.

- The foundation awards the grant on an objective and nondiscriminatory basis.
- The IRS approves in advance the procedure for awarding the grant.
- The grant is:
 - A scholarship or fellowship subject to section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii); or
 - A prize or award subject to the provisions of section 74(b), if the recipient of the prize or award is selected from the general public; or
 - To achieve a specific objective; produce a report or similar product; or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar skill or talent of the recipient.

To receive approval of its educational grant procedures, Treasury Regulations section 53.4945-4(c)(1) requires that a private foundation show:

- The grant procedure includes an objective and nondiscriminatory selection process.
- The grant procedure results in the recipients performing the activities the grants were intended to finance.
- The foundation plans to obtain reports to determine whether the recipients have performed the activities that the grants were intended to finance.

Other conditions that apply to this determination

- This determination covers only the grant program described above. This approval will apply to succeeding grant programs only if their standards and procedures don't differ significantly from those described in your original request.
- This determination applies only to you. It may not be cited as precedent.
- You cannot rely on the conclusions in this letter if the facts you provided have changed substantially. You must report any significant changes in your program to the Cincinnati Office of Exempt Organizations at:

Internal Revenue Service
Exempt Organizations Determinations
P.O. Box 2508
Cincinnati, OH 45201

- You cannot make grants to your creators, officers, directors, trustees, foundation managers, or members of selection committees or their relatives.
- All funds distributed to individuals must be made on a charitable basis and must further the purposes of your organization. You cannot award grants for a purpose that is inconsistent with Code section 170(c)(2)(B).

- You should keep adequate records and case histories so that you can substantiate your grant distributions with the IRS if necessary.

We've sent a copy of this letter to your representatives as indicated in your power of attorney.

Please keep a copy of this letter in your records.

If you have any questions, please contact the person listed at the top of this letter.

Sincerely,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements